

THE CONFLICT BETWEEN FINANCIAL DECISION MAKING AND INDIGENOUS AUSTRALIAN CULTURE

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ABSTRACT

Financial literacy or financial capability is widely agreed as being fundamental for financial wellbeing (Clitheroe 2004; Worthington 2008). This is particularly relevant in 21st century Australia, where the government's policy of self-funded retirement is a critically important issue. Previous research undertaken by the Australian and New Zealand Banking Group (ANZ) in Australia, suggests when it comes to financial matters, a large proportion of the population have insufficient levels of the financial knowledge and skills needed to manage their finances into the future. Australia's Indigenous population has been identified in the ANZ surveys as one of the groups, most at risk. Whilst education programs have been put in place to address these findings, subsequent studies in relation to Australians Indigenous population continues to demonstrate the poorest levels of financial literacy, with little to no identifiable improvement in measured skills over successive studies (ANZ 2003; 2005; 2008; 2011 and 2014).

Generally, traditional Indigenous culture is dominated by family and tribe rather than personal wealth gratification; in particular these cultural values relating to money are in direct contrast to western societal values. Our research paper, the first in a series, raises two questions. Firstly is the conflict between western and Indigenous culture an overlooked factor and might go some way to explaining the poor financial literacy levels among Australia's Indigenous population. Secondly, this paper raises questions that were highlighted in the existing literature as to the content and design of currently offered educational programs that are targeted at Indigenous Australians.

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Introduction

The complexity of products and services within current financial markets means individuals today, require high levels of financial literacy skills to make good financial decisions and contribute to their future financial wellbeing. In Australia, financial knowledge and skills are increasingly important with the introduction, in 1992, of compulsory superannuation in the form of the Superannuation Guarantee Charge (SGC). The SGC has changed the dynamics of retirement planning for Australians, whereby future retirement income is now the responsibility of the individual, rather than that of government. Since individuals are now responsible for their future financial security, the concept of a financially literate population is a critically important issue. Consequently, in Australia, there is a consensus among governments and financial providers that financial literacy education must be a high ranking priority (ANZ 2011).

Research undertaken in Australia since the early 2000's has attempted to assess the level of financial literacy of the Australian population (ANZ Bank 2003, 2005, 2008 2011 and 2014). However, findings indicate, that when it comes to financial literacy, a large proportion of the population have insufficient levels of the financial knowledge and skills needed to manage their finances into the future. The results of these studies also highlighted that Indigenous Australians have been identified as one of the categories most at risk with data indicating that this group has one of the poorest levels of financial literacy, with little to no improvement in measured skills over successive studies.

As a means addressing Australia's poor financial literacy skills, government, banks and private providers have initiated a number of educational programs, many of which are aimed directly to Australia's Indigenous population. However, research indicates there has been limited benefit, with surveys indicating the Indigenous population are still most at risk (ANZ Bank 2003, 2005, 2008, 2011 and 2014).

This paper reviews the existing literature related to financial literacy levels in Indigenous communities, and additionally describes the content and design of current financial literacy education programs developed to address these concerns.

When it comes to poor financial literacy levels amongst Indigenous Australian's, the existing literature suggest there are three major barriers, culture, remoteness of location and low socio economic background. Whilst these factors are relevant and discussed to some extent in this paper, our research concentrates on one issue, which is "culture" and its apparent minimal attention given in developing financial literacy education programs. This issue has been considered by previous researchers to be a crucial impediment. Previous research has suggested that these three barriers might explain why Indigenous Australians have poor outcomes when it comes to successful financial management and wealth accumulation. Such outcomes would be unacceptable in non-Indigenous society (Dockery 2010).

Background

Aboriginal and Torres Strait Island population: characteristics and context

To provide some insight into how the Indigenous population fit within Australian society, the following discussion highlights some of the issues of remoteness, unemployment and health issues that impact on the Australian Indigenous population.

In the 2011 Census, 548,400 people identified and were counted as being of Aboriginal and Torres Strait Islander origin, representing 2.5% of the Census count.

New South Wales had the highest count of Aboriginal and Torres Strait Islander people (172,600 or 32% of the national total), followed by Queensland (155,800 or 28%) and Western Australia (69,700 or 13%). Combined, these three states made up almost three-quarters (73%) of people who identified as being of Aboriginal and Torres Strait Islander origin. In contrast, the Northern Territory had the highest proportion of the population counted as being of Aboriginal and Torres Strait Islander origin (27%), while Victoria had the lowest proportion at less than 1% of the state total (Australian Bureau of Statistics 2011)

Aboriginal and Torres Strait Islander people, some 32 percent, live in the major cities and in urban settings (Australian Bureau of Statistics 2008). Interestingly the majority of Indigenous population are under 15 years of age, with only 3 percent 65 years and over. In comparison, the median age for non-Australians is 37 years and 19 percent are 15 years and under (Australian Human Rights Commission 2008).

Unfortunately, the statistics suggest many Aboriginal people are disadvantaged across most aspects of life. The Australian Bureau of Statistics (ABS) indicate the unemployment rate for Indigenous Australians is around 17 percent (2008), three times higher than the rate for non-Indigenous Australians at 5 percent (2008). Such high rates of unemployment are understandable in the context of low levels of education, with a modest 22 percent of Indigenous people completing Year 12. Furthermore, some 31 percent of Indigenous people aged 15 years and over reported high to very high levels of psychological distress, while 50 percent of Indigenous people aged 15 years and over have a disability or long-term health condition and some 69 percent were living in rented accommodation (Australian Bureau of Statistics 2010).

The most recent report, *Overcoming Indigenous Disadvantage (OID)* by the Productivity Commission, released in 2014, identifies mixed results for Australia's Indigenous people. Although there are some positive aspects such as life expectancy and child mortality rates which have improved, the rates of disability and chronic disease remain high. The OID report further indicates that economic outcomes have improved. Although progress has been slow, the research indicates Indigenous Australians have increased incomes, home ownership, and higher rates of full-time and professional employment. Consequently, there is lower reliance on income support. Although there have been greater post-secondary education outcomes, literacy and numeracy results, particularly in remote areas have changed little. Unfortunately, there was modest to no change in reading, writing and numeracy from 2008 until 2013 (Productivity Commission 2012).

Indigenous Australians and their first experience of money

Up until colonisation the Aboriginal population had no need for money. When colonised, the Indigenous inhabitants were thought to be few in numbers and uncivilised 'terra nullius'. As a consequence, since settlement, Indigenous Australians have been marginalised, disposed and displaced from their lands; many were forced into missions run by church organisations (Demosthenous, 2006) and devoid of any monetary responsibilities.

In the late nineteenth and early twentieth century, Indigenous labour, both men and women was relied upon by farmers and pastoral stations as their major workforce. Many of the jobs for women were cooking, cleaning and minding the children whereas Indigenous men helped with the jobs around the stations including mustering. Some Indigenous workers were paid in alcohol, clothing, and food rations. For those who did get paid in the form of money, most often, this was withheld by the government. Recently, the Queensland government has offered Indigenous people settlement in lieu of monies earned and withheld (Demosthenous, 2006) to correct previous injustices.

Literature review

Financial literacy literature

The definition for financial literacy is clearly stated by Schagen and Lines (1996) as

“the ability to make informed judgments and to take effective decisions regarding the use and management of money” (Schagen & Lines 1996, p. 91).

The definition proposed by Schagen *et al.* (1996) has been adopted by the Australian Securities and Investment Commission (ASIC) who further elaborate by detailing the following skills and knowledge as constituting financial literacy:

- mathematical literacy and standard literacy (the ability to read for knowledge and write coherently and think critically about the written word)
- financial understanding – an understanding of what money is and how it is exchanged, where it comes from and goes
- financial competence – understanding of basic financial services, financial records (and importance of reading and keeping them), attitudes to spending and saving, and an awareness of the risks associated with some financial products and the relationship between risk and return; and
- financial responsibility – the ability to make appropriate personal life choices about financial issues, understanding consumer rights and responsibilities and
- the ability and confidence to access assistance when things go wrong (ASIC 2003).

There is general acceptance that improving financial literacy is critical for all Australians to reach their potential in managing money and future retirement (Bin-Sallik *et al.* 2004). Unfortunately, research indicates that the majority of the Australian population have insufficient knowledge and or expertise to make beneficial financial decisions, particularly about their superannuation (Beal and Delpachitra 2004; Moldofsky 2006; Worthington 2008). This is particularly true for those with low levels of education (Lusardi 2008). The Indigenous population of Australia is no different; a lack of financial skills and education inhibit and restricts their ability to manage their finances. These difficulties are further magnified by the remoteness and the low socio-economic status of the Indigenous population in Australia (Altman 2000; ANZ 2011).

Other research suggest the very basic concepts of money and mathematical literacy would need to be addressed as a first measure (Urbis Keys Young 2006; Huston 2010) before more complex financial knowledge and skills were introduced. Similarly, Bin-Sallik *et al.* (2004) suggest any educational programs designed to improve financial literacy and ultimately better living standards of Indigenous Australian's, needs to consider broad based financial learning. This idea is supported by the First Nation Foundation who has encouraged the development of programs aimed at providing a sound financial foundation upon which Aboriginal and Torres Strait Islander communities can ideally function.

Financial literacy education and Indigenous Australians

For outback Indigenous Australians, remoteness if a major barrier to new technologies, for example, the internet banking, ATM's and online application for credit within the finance sector can be advantageous for many customers in the cities. However, the sheer remoteness, of the majority of the Indigenous population who reside outside the major cities have limited access to credit, loans, internet access and financial services which must inhibit their financial ability (McDonnell and Westbury 2002; McDonnell 2003). Adding to these limitations or a consequence of, Indigenous Australians are amongst those in the lowest socio economic households in Australia (Godinho and Russell 2013). Hence this group may face financial exclusion from mainstream advice and programs generally available to most Australians.

In response, the Department of Families, Housing, Community Services and Indigenous Affairs, (FaCSIA), in 2004, provided support to Reconciliation Australia to develop the National Indigenous Money Management Agenda (NIMMA) the objective being to deliver better financial services and education to Aboriginal and Torres Strait Islander communities. This initiative continues to be the catalyst for ongoing dialogue, better awareness, greater resources and increases in consumer support and training for Australia's Indigenous population (Reconciliation Australia 2007). A number of educational programs have followed from this dialogue, for example the creation of the Outreach Team from (ASIC) previously mentioned, who have been working with Indigenous Australians about money matters and have designed a range of programs using online delivery systems which can be easily run in schools. Other existing programs include the Manage Your Income targeted specifically for Indigenous communities and run by Centacare.

For those residing in the Cape York Peninsula, there is the Cape York Partnership (CYP) who have initiated the MPower coaching and consulting (Aurukun) project, this provides the opportunity for a unique cultural experience with a well-established not-for-profit organisation to ensure individuals, in that area, receive face to face support to assist in managing their money. More recently, a new program the MoneyMob Talkabout program funded by FaHCSIA, has been developed to provide additional access to financial literacy education through the means of storytelling and using outdoor cinema, creating hands on games and other suitable activities (Financial Literacy Australia Ltd 2013).

Indigenous and Torres Strait Island culture

An understanding of the remoteness and low social economic background faced by Australia's Indigenous population appears to be reflected in current educational programs. However, it appears Indigenous culture fails to be considered in most of the educational programs. Considering Indigenous culture, when it comes to money is in direct contrast to how Western society values money, it seems implausible that culture is not a priority.

When it comes to the use of money, Indigenous culture, challenges main stream Australian societal norms. It is therefore important to understand how Indigenous communities view money and wealth creation generally.

The complexities of Indigenous culture and its impact may well be best summarised by Patrick Dodson who stated:

It is very difficult for an Aboriginal to have total propriety right over anything. You are always obliged to share with your brothers in law, your fathers in law, family, to give things away but you would give it away without worrying about whether you would get a return for it. Because you know in the society there will be return sometime when someone is in a position to do so (The Age, 1989, p. 52)

Indigenous culture has a history going back many thousands of years. Although many Indigenous people live and participate in 21st century Australia, their culture and value system contradicts the western way of life, particularly in relation to financial matters. According to Indigenous beliefs

[T]he physical environment of each local area was created and shaped by the actions of spiritual ancestors who travelled across the landscape. Living and non-living things existed as a consequence of the actions of the dreaming ancestors (Purdie *et al.* 2010 p. 26).

The connection to land is fundamental to Indigenous people, the concept of Indigenous land ownership was at the point of colonisation, and even today are at odds with western values in relation to property ownership and resulting legal systems. The dreaming stories created boundaries or territories and each individual belonged to certain territories within the family group. Consequently, the land was not owned but one belonged to the land (Purdie *et al.* 2010 p. 26).

Purdie states that these complexities continue as a result of the kinship system, which placed each person in relationship to every other person in the group and determined the behaviour of an individual to each person. The kinship system also took into account people external to the group (Purdie *et al.* 2010 p. 26). This relationship of sharing is a key part of the Australian Indigenous culture and reflected in attitudes to work and living and financial needs (Peterson and Taylor 2003). Resources including money are to be shared; individual needs cannot be prioritised ahead of the family, extended family or the community (Martin 1995; McDonnell 2003). This is part of the Indigenous culture, of kinship, exchange and sharing (Peterson 2005). For example, an Indigenous person, with surplus income is subject to demands by family and community for money (Godinho 2014). Such actions are in complete contrast to the financial decisions and norms practised by the majority of Australians (Harris 1990). This cultural difference, when it comes to the use of money, acts as huge inhibitor when trying to encourage Indigenous Australians to take charge of their individual financial decisions and accept the need to manage their money and their future wellbeing, as their primary responsibility and put any consideration for the community as a secondary consideration.

Even with some limited understanding of Indigenous culture, it is difficult to understand how the Western use of finance can be compatible. First, let us describe the traditionally or generally accepted term 'financial literacy'. As mentioned previously, in Australia, ASIC, the Financial Literacy Foundation and the Australian and New Zealand (ANZ) Bank have utilised a definition by Schagen and Lines (1996) as highlighted earlier.

the ability to make informed judgments and to take effective decisions regarding the use and management of money (Schagen and Lines 1996)

This definition incorporates the understanding of money, savings and investment to make effective, understanding of financial terms and concepts, as well as the ability to use technology to make beneficial personal financial decisions (Reid, 2003). Such definitions and concepts appear to be in conflict with Indigenous culture and kinship. For example, 'Kin do have the right to make demands on each other for hospitality, food, financial help and other services' p. 15 (Keen 1994). Individual saving is seen as selfish and stingy (Senior, Perkins, & Bern, 2002).

There is evidence that some Indigenous Australians do resist the culture of sharing, using various strategies such as, earmarking money for different purposes or spending the money quickly on things, to keep money within the immediate family (Senior *et al.* 2002). However, this cultural resistance appears to be in the minority, generally saving money and keeping money within the immediate family is contradictory to Indigenous culture and their traditional way of life.

This raises the question, is it possible for financial education programs as traditionally perceived by most Australians a viable option to educate the majority of Indigenous Australians? Our study suggests that the impact Indigenous cultural needs to be better understood before financial literacy education programs can be designed. Additionally, for the many Indigenous Australians, who consider their traditional culture overrides western values the acknowledgment of the importance of "culture" is imperative if successful outcomes are to be achieved.

Research questions

Having reviewed the literature we believe two questions require further examination.

1. Does the conflict between Indigenous culture and successful financial management explain the apparent lack of improvement of financial literacy levels in Indigenous Australians for more than a decade?
2. Do existing financial literacy education programs specifically designed for Indigenous Australians incorporate “culture” as an integral element in the education program?

The role of ASIC in financial literacy education for Indigenous Australians

The Australian Government has taken steps to address the identified concerns from the ANZ Bank surveys by instituting a number of initiatives. The aim is to increase financial awareness and enhance financial knowledge through the Financial Literacy Foundation; this task was then transferred to the Australian Securities and Investment Commission (ASIC). ASIC have developed the National Financial Literacy Strategy for 2014-17, which aims to:

1. Educate the next generation, particularly through the formal education system
2. Increase the use of free, impartial information, tools and resources
3. Provide quality targeted guidance and support
4. Strengthen coordination and effective partnerships
5. Improve research, measurement and evaluation (ASIC 2014).

Through its websites such as Money Smart, education programs and resource lists, ASIC aims to increase the financial literacy of all Australians. These initiatives combine with a curriculum-based approach to teaching financial literacy in schools are the cornerstones of the 2014–17 National Financial Literacy Strategy. This strategy proposes increasing the number of trained teachers through ASIC’s Money Smart program as well as developing greater resources for teachers and students to assist in reshaping the Australian Curriculum for Economics and Business. Additionally, ASIC is committed to increasing the number of vocational education and training (VET) students that are currently financial literacy education (ASIC 2014). Furthermore, ASIC and private providers have developed many educational programs across Australia as a means of increasing financial skills.

In an attempt to increase the financial literacy levels among our Indigenous population, ASIC has created a dedicated financial literacy webpage specifically to address the needs of Australia’s Indigenous population. The website specifically written for the Indigenous population includes advice on many issues where money is involved and includes audio advice in English and a variety of different Indigenous languages. This site further provides lists of additional resources including related links such as, Money Talks, Indigenous publications, Indigenous consumer assistance, Network First Nations Foundation and the National Indigenous Consumer Strategy.

Additionally, ASIC has developed the Financial Literacy Outreach Education Team whose primary objective is to develop and deliver community education. The team's objective is to develop strategies that will help Indigenous Australians with making informed choices about different financial products like credit, debt, superannuation and insurance. The Outreach Team works closely with the Indigenous population in their desire to learn more about "money matters" (Reconciliation Australia 2011). In addition, ASIC also provides an Indigenous Help Line where assistance is given on money questions to do with banking, insurance, credit and superannuation.

To date there has been limited research that assesses the success or failure of ASIC's initiatives and private educational programs, ANZ Bank studies continue to see minimal improvement in financial literacy levels across all groups but especially Indigenous Australians. Others researchers have raised questions about the success of financial education (Gallery and Gallery 2010; Taylor and Wagland 2013) and the relationship between financial education and behaviour among the general population (Willis 2008; West 2012). In particular, when it comes to Australia's Indigenous population, there appears little research investigating the link between Indigenous culture and financial education outcomes. Although there are numerous issues that can inhibit and restrict Australia's Indigenous population from increasing their financial skills, this research questions whether due weight has been given to culture when designing current financial literacy programs.

In reviewing the resources currently available from the ASIC website, our study has identified a number of organisations and programs that provide assistance specifically for the Indigenous population. Initiatives have been undertaken by the National Australia Bank, who have partnered with a number of community organisations to support a national network of Indigenous Money Mentors. The ANZ and FaHCSIA have also fostered money management skills through their Money Business program which is delivered in over 160 communities in remote regional and urban Australia. The Indigenous Financial Services Network is another initiative of the Reconciliation Australia's National Indigenous Money Management Agenda (NIMMA) (Reconciliation Australia 2011).

Education in schools has not been neglected by the corporate and government sectors. For example, Education Partnerships (Schools) Pty Ltd is a program that provides strategic advice, implementation, marketing and communications support for financial literacy education in schools. The Commonwealth Bank Foundation, has also initiated, the Start Smart Enterprise program, a financial literacy program for Australian schools.

Methodology

In this study a descriptive analysis was employed to review the Australian Government initiatives in responding to the findings of several ANZ Bank studies (2003; 2005; 2008; 2011 and 2014). In those studies Indigenous Australians represent one of the largest groups where the level of financial literacy has not improved in a decade. The government has chosen ASIC to be the major source of provision of information through the ASIC specific website for Indigenous Australians as well as being the central repository of resources especially designed to meet the identified need for Indigenous Australians the first step undertaken by the researchers was to review the ASIC website to determine the resources available. The second step was to take the comprehensive resources schedule supplied on the ASIC website as to the resources specifically developed for Indigenous Australians. This list is available in Appendix 1.

The next step was to examine every website of the organisations included in Appendix 1. These sites were then reviewed to determine the resources offered by the organisation, the education programs that have been developed.

Where educational programs were offered the programs were further examined to determine whether “Indigenous culture” had been an integral part of the learning design.

Finally a search was conducted of these programs to determine if an independent evaluation or review process had been undertaken which sought to determine the level of success of such programs through measurable outcomes.

Analysis

Review of educational programs for financial education

Lahn (2008) suggests that our educational framework does not suit all Australians. This may be particularly relevant to Indigenous Australians whose culture challenges accepted norms of non-Indigenous Australians.

Although there is limited research when it comes to the success or failure of financial education programs for Indigenous Australians, a small experimental learning approach running at six Indigenous communities in South East Queensland appears to have some success. The program incorporated a range of activities including exercise, games and homework tasks applied to the groups personal experience when it comes to money. Although, the sample size was small and participants self-reported they indicated an increase in self-confidence when it comes to money (Brimble and Blue 2013).

A review of current educational programs available specifically for Indigenous Australians finds little emphasis has been put on culture. Of the seventeen programs reviewed only two programs appear to consider culture as an essential consideration in the design of the programs.

The first of these is a program developed by First Nations Foundation (FNF) in 2011 called My Moola. FNF is a not-for-profit public company limited by guarantee. FNF aims:

to ensure that Indigenous Australians have the skills to be in a position to protect the things that they value and to sustain culture and a sense of identity, they need to build the capacity to be equal players in the mainstream economy. 'Closing the gap' in critical areas of financial and economic participation is also a key to improved health, employment and education outcomes, enabling First Australians to live full and productive lives – living, learning and earning (FNF Website)

My Moola was established with the support and assistance of Credit Union Australia, Arnold Bloch Leibler and the ANZ Bank.

FNF have identified that financial literacy is one of the major causes of social exclusion for Indigenous Australians. FNF state that in a report by the Centre for Social Impact in 2012, that 43.1% of Indigenous Australians surveyed were either severely or fully socially excluded compared with the national average of 17.2 %.

My Moola is designed to opening financial pathways and is specifically designed as an adult financial literacy program for members of Indigenous communities. The workshops are fun, interactive and delivered in a culturally safe environment. The My Moola program additionally, incorporates personal development and goal setting with financial literacy.

My Moola is an 8 module program over two days and has a holistic view to financial empowerment. This program considers the following perspectives:

- Explores Indigenous history and culture relating to money
- Increase participants skills in personal development related to goal setting and overcoming barriers to success
- Provide participants with an understanding of the impacts of financial decisions related to: expectations, needs, and aspirations
- Increase participants awareness and knowledge of costs, risks, and benefits of financial products and services
- Provide families with tools to develop a shared vision around culture, education and economic well-being

On 10 December 2014 First Nations Foundation (FNF) in collaboration with the Brotherhood of Saint Lawrence announced the 2014 My Moola program Evaluation Report. The report states:

“financial literacy is still the major challenge and ongoing preventative work in dealing with the core issues..... which have intergenerational flow on effects.”

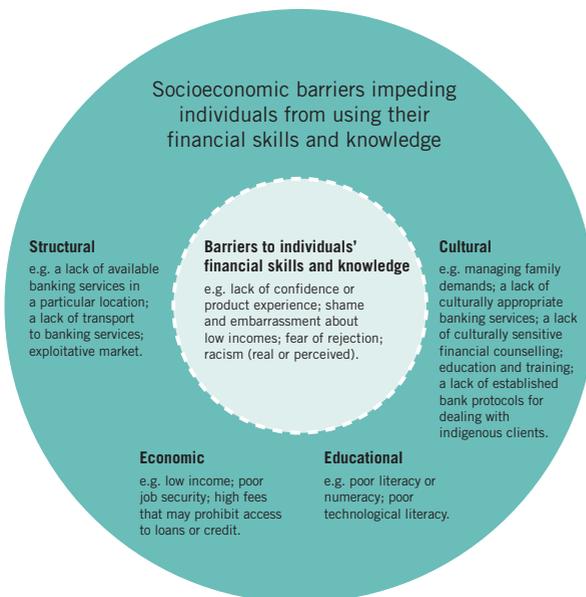
Additionally, Dr Nikki Moodie, a key contributor to the report states:

“The response we received from participants was over whelming and the results indicate that the program has made significant changes to the lives and financial competency of the participants

.....My Moola has the capacity to provide unique and culturally appropriate support for Indigenous staff in all sectors”

The conceptual framework of My Moola is best illustrated in First Nations Foundation: Enhancing Indigenous Financial Capability Programs (2011) document. Diagram 1 below focuses on the interconnectedness that must be acknowledged in designing successful education programs for Indigenous Australians. The diagram describes the barriers that impinge on the successful financial capability strategies designed to increase levels of financial literacy in this group. It should be noted that the report highlights that there are several influencing factors. One of these factors “culture” must be addressed in designing and developing appropriate services to achieve successful outcomes.

Diagram 1: A framework for understanding barriers to indigenous financial capability



Source: <http://www.fnf.org.au/financial-inclusion.html>

The second program identifying culture as pivotal inclusion for financial literacy programs is one developed by the Cape York Partnerships. This program called MPower is strongly focused on coaching and education, for the needs and aspirations of Aboriginal and Torres Strait Islander clients.

This program concentrates on the 4Cs are:

Class: teaches mainstream curriculum in English literacy and numeracy using Direct Instruction (DI) methods

Club: provides artistic, musical and sport programs

Culture: provides comprehensive Indigenous culture and language programs delivered by teachers and local cultural tutors, it also involves on country camps and activities

Community: provides case management of each student's attendance, school readiness, health, nutrition, well-being and parent engagement, working closely with the Family Responsibilities Commission

The designers of this program consider it is individuals and families, not communities, who are the key agents of change in the move from passive welfare to self-reliance and economic freedom. The Cape York initiative fundamentally considers that communities are uplifted only when widespread individual and family change occurs.

“‘Push’ and ‘pull’ factors are needed to get individuals and families to change from passivity, dependence and dysfunction, to responsibility, self-reliance and functioning. Push factors might include increasing the conditionality of welfare payments; pull factors must include providing opportunities and investment in capability-building.”

Furthermore on their website, the Cape York Partnership Agenda is “.....unashamedly child-centred – improving the future for children is a clear moral priority. We are forging a new path that puts children, families and homes very much at the centre”.

The Cape York Welfare Reform package seeks to:

- Improve the abilities of individuals and households to manage income and household budgets
- Be engaged in children's education and family health
- Be better parents
- Take pride in the family home

Under the Cape York Welfare Reform trial, the development of an Opportunity Hub (O-Hub) focuses on the empowerment of individuals and families, so they can change their own and their children's lives. Through O-Hubs, people can access opportunity products such as MPower for financial literacy; Student Education Trust (SET) to assist parents to plan and save to support children's education; and parenting support services. O-Hub might offer that first step to taking control of their money through use of the MPower program.

The O-Hub provides an environment for building self-reliance and responsibility. Its focus is to bring welfare dependent individuals and families up to a level of basic functionality with the support of opportunity products and programs this includes income management and budgeting. MPower supports individuals and families to manage money for basic material needs; builds capabilities through financial literacy and behaviour change; and builds assets through saving and disciplined money management.

MPower objectives are clearly stated on their website include:

- To assist families to manage money so that basic material needs (food, clothing, shelter etc.) can be sustained
- To enable families to manage money generally
- To enable families to build assets and realise aspirations through saving and disciplined money management

In respect of child's education the Direct Instruction (DI) method has three essential components:

- "class", the core DI program, which delivers 20 hours of literacy and numeracy teaching every week;
- "club", which gives lessons in sports and music; and "culture", a subject-group that includes local languages and traditional and environmental knowledge, and has a syllabus designed by the academy's own team. Club and culture are taught after normal school hours, in optional lessons that extend the school day by 90 minutes:
- "culture", provides comprehensive Indigenous culture and language programs delivered by teachers and local cultural tutors, it also involves on country camps and activities attendance is almost universal.

The Cape York programs delivered to children embed into the curriculum an our cultural program which represents the cultures of different communities groups across Cape York Peninsula and the Torres Strait Islands. In designing these programs family and community members are invited to engage in teaching traditional cultural dances, singing, language and arts. These education programs previously mentioned including financial literacy emphasis that culture is an important component of an Indigenous school, which moulds education and culture into a holistic approach to each child's growth.

Summary of findings

A review of the literature relating to the benefits of a financially literate population has been well established as being extremely important for all Australians. Although both government and private providers have made a significant effort to increase the level of financial knowledge and skills in programs across the country, it would appear that there is insufficient assessment of what works and what does not work when it comes to the financial literacy of Indigenous Australians. The ANZ (2011) Bank surveys would suggest there has been generally little improvement over the last decade. Furthermore, when it comes to Australia's Indigenous population, it would appear there needs to be a concerted effort to understand Indigenous culture, its impact and importance when designing future programs if we are to overcome an underlying issue that inhibits the successful outcomes.

The paper is limited to a review of research findings and an examination of specific financial literacy programs that are currently specifically designed to address the low financial literacy levels evidenced in Indigenous Australians. After examining these current programs it has demonstrated that the concept of cultural biases has to a large extent not been given due consideration and in most cases ignored. Only two of the current programs on offer actually address Indigenous culture in the design of their program. It is no surprise to note these have been identified as two of the most successful programs when measuring their outcomes from the objective reviews that have been undertaken.

The next stage in this research will be to interview focus groups of Indigenous Australians as well as the providers of these identified existing programs to see how strategies can be developed to address this fundamental aspect of Indigenous communities, and allow the redesign of financial literacy programs that provide the desired successful outcomes for our Indigenous Australian population.

Future research

Whilst our research has been limited to considering only one barrier that is 'culture', further research needs to be conducted in relation to the remaining identified barriers. Another avenue of future research could focus on testing participants of a sample number of programs. This would occur before and after completion of the chosen education program in order to measure any demonstrable outcomes.

Appendix 1: List of financial literacy programs specifically to assist Indigenous Australians

Organisation	Description	Culture addressed in Program
<p>Program Australian Securities and Investments Commission (ASIC)</p> <ul style="list-style-type: none"> • ASIC manages the Money Smart website, and has a section targeted specifically at Aboriginal and Torres Strait Islander Australians. 	<p>Specifically designed for Indigenous Australians, Moola Talk based on comic style in presenting information Budget Planners – Money Smart Superannuation Issues – MOB. Also information on NILS Loans to community Indigenous Outreach Program.</p>	<p>Indigenous culture not addressed*</p>
<p>Centacare Wilcannia-Forbes</p> <ul style="list-style-type: none"> • Provides Manage Your Income program, which offers training in financial literacy specifically for Aboriginal communities. 	<p>Manage Your income Manage Your Life Information Only</p>	<p>Indigenous culture not addressed*</p>
<p>Education Partnerships (Schools) Pty Ltd</p> <p>Start Smart Enterprise, a financial literacy program for Australian schools and an initiative of the Commonwealth Bank Foundation. (www.educationpartnerships.com.au)</p>	<p>Indigenous financial Literacy Think Tank (2011). First Nation Foundation developed Start Smart – Information Only.</p>	<p>Indigenous culture not addressed*</p>
<p>Financial Counsellors' Association of NSW (FCAN)</p> <ul style="list-style-type: none"> • FCAN delivers a fully accredited culture-specific course for Aboriginal financial counsellors, through funding from FaHCSIA, Fair Trading NSW. 	<p>No existing courses for General Community. Only courses for trainee Financial Counsellors.</p>	<p>N/A</p>
<p>Indigenous Consumer Assistance Network (ICAN)</p> <ul style="list-style-type: none"> • ICAN provides consumer education, advocacy and financial counselling services to Aboriginal and Torres Strait Islander consumers across the nation. (www.ICAN.org.au) 	<p>Mentoring Program for Financial Counselling, Money Management services strategy. Grants for Projects.</p>	<p>Indigenous culture not addressed*</p>
<p>Torres Strait Regional Authority</p> <ul style="list-style-type: none"> • Community Training Program and a Community Development Employment Program. (www.tsra.gov.au) 	<p>Non-specific financial literacy courses.</p>	<p>Indigenous culture not addressed*</p>

<p>Money Business</p> <ul style="list-style-type: none"> • ANZ and FaHCSIA to build the money management skills and confidence of Indigenous people. (www.anz.com and www.fahcsia.gov.au) 		
<p>Indigenous Consumer Assistance Network (ICAN)</p> <ul style="list-style-type: none"> • ICAN provides consumer education, advocacy and financial counselling services to Aboriginal and Torres Strait Islander consumers across the nation. (www.ICAN.org.au) 	<p>Funded by Financial Literacy Australia 2015. Twenty four Workshops 10-20 students over 4 years.</p>	<p>Indigenous culture not addressed*</p>
<p>Cape York Partnerships</p> <ul style="list-style-type: none"> • MPower is strongly focused on coaching and education, for the needs and aspirations of Aboriginal and Torres Strait Islander clients. 	<p>MPower extremely successful works on collective unity and collective good of the family. Arukun provides individual instruction based on a three group system Class, Club, Co House. The first of these Class offers 20 hours on literacy. Also O-Hub provides for family opportunities.</p>	<p>Culture identified as a major element of the course</p>
<p>Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)</p> <ul style="list-style-type: none"> • The Department's Financial Management Program aims to build financial resilience and wellbeing among Indigenous communities. (www.fahcsia.gov.au) 	<p>Program based on project funding. Basic Financial Management Program. Also provides some services.</p>	<p>Indigenous culture not addressed*</p>
<p>Financial Counselling Australia (FCA)</p> <ul style="list-style-type: none"> • As part of its Reconciliation Action Plan, FCA has committed to increasing the attendance of Indigenous financial counsellors and financial literacy workers at the FCA annual conference and for the last two years has hosted an Indigenous -focused day. (www.financialcounsellingaustralia.org.au) 	<p>Non-specific Programs. No existing courses.</p>	<p>Indigenous culture not addressed*</p>

<p>First Nations Foundation (FNF)</p> <ul style="list-style-type: none"> FNF is an Indigenous not-for-profit organisation with a vision of financial inclusion for Indigenous Australians. (www.fnf.org.au) 	<p>My Moola 2014. 2 day Program.</p>	<p>Culture identified as a major element of the course</p>
<p>Traditional Credit Union (TCU)</p> <ul style="list-style-type: none"> TCU provides financial services and counselling to Indigenous people in the Northern Territory, in the communities of Wadeye and Milingimbi. 	<p>Indigenous Bank. No formal Courses. Visit communities. Provides information on needs basis.</p>	<p>Indigenous culture not addressed*</p>
<p>National Australia Bank (NAB)</p> <ul style="list-style-type: none"> Support a national network of Indigenous Money Mentors. (www.nab.com.au/Indigenous) 	<p>Money Mentors to give Indigenous Australians face-to-face support with money management. Training is coupled with access to safe and affordable microfinance products and services. It means Indigenous Australians can learn by doing, and take control of their finances.</p> <p>Indigenous Money Mentors proactively connect Indigenous Australians with service providers in areas such as health, housing, family, employment and education that are able to improve overall wellbeing.</p>	<p>Indigenous culture not addressed*</p>
<p>MilbaDjunga</p> <ul style="list-style-type: none"> MilbaDjunga is an online interactive consumer and financial literacy resource piloted with Indigenous students at schools in Queensland, the Northern Territory and Western Australia in 2011. (www.milbadjunga.net.au) 	<p>Based in Queensland. Non-specific programs. Financial literacy only incorporated generally in programs offered.</p>	<p>Indigenous culture not addressed*</p>
<p>Matrix on Board</p> <ul style="list-style-type: none"> Matrix on Board launched MoneyMobTalkabout – a financial literacy education program for remote-dwelling Aboriginal people – with funding from FaHCSIA in April 2010. 	<p>Three units in Community Services Program. Not specifically addressed to Indigenous Australians.</p> <p>Some elements of Social Structure and role of power and Money.</p>	<p>Indigenous culture not addressed*</p>

* Based only on information from website at one point in time, measured against limited criteria. Information on many sites undergoing regular modification.

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